



HARVARD UNIVERSITY

CENTER FOR MIDDLE EASTERN STUDIES
IRANIAN ORAL HISTORY PROJECT

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IRANIAN ORAL HISTORY PROJECT
HARVARD UNIVERSITY

Narrator: Desmond Harney

Date: October 15, 1985

Place: London, England

Interviewer: Habib Ladjevardi

Tape no: 1

Q. Desmond, I'd like to first ask you to give a sort of brief biographical sketch of yourself.

A. Habib, in relation to Iran? Right?

Q. No. Basically, personally ... where were you born...?

A. Right. I was born in London. My father was a Member of Parliament. He died when I was three months old. My mother took me back to the north of England, and I was brought up in the north of England. I went to the university in the north of England, at Durham, and I then came later to London.

My first job was in the manufacturing industry, with ICI. But before that, I should explain that after my Durham

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University years I went to Cambridge University to read ... start on Ph.D. studies. But I decided that I was interested in practical life, and I tried to get into the Foreign Office. I didn't succeed the first time, and that is why -- going back to where I was -- I went into ICI, which was my second-string.

Q. What year would that be?

A. That year was 1954 -- when I left Cambridge.

I then had the best part of two years in ICI, and then had a second shot at the Foreign Office. And I got in the second time.

Q. This was around '56?

A. I entered the Foreign Office the very week that Krushchev and Bulganin came to London, which was, I think, June -- May -- 1956.

When I'd been in the Foreign Office about a year, I was told that I had to choose a foreign language to learn -- as we all are -- and I remember being offered Turkish, Persian, and Greek. And I had no doubt at all which I wanted to do, which was Persian. Because when I'd been doing my military service, I did it in Pakistan, and I was once brought to

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Gwadar -- I think it's called Gwadar -- and across the bay from Gwadar you could see Chah Bahar. And this excited my imagination. The magic name of Persia.

And about two or three years after that, in my university service, I spent three months in Morocco. And I remember someone in Morocco telling me, "Ah. But if you think Morocco is beautiful, Persia is even more beautiful."

So those two things fixed in my mind that Persia was something very beautiful that I wanted to know. So when the Foreign Office offered me Persian, Turkish or Greek, I chose Persian without any hesitation. I then went to London University and studied for a year under Professor Nancy <Anne> Lambton. Studied Persian.

That led to my posting to Iran in August, 1958. I went straight into my responsibilities in the embassy, in the political section -- Chancery.

Q. Could I just interrupt at this point? I'm interested in two things. First, what sort of briefing a person such as yourself would receive before going to Iran. And then, particularly, what sort of an impression did you have of Iran, and its political conditions, and so on, before you arrived? And then later I'd like to ask you what, in fact, you found, and what the differences, if any, were between the

impressions before arriving and....

A. Habib, I was very junior. I was the most junior -- I was the third secretary. So I don't think they bothered much with briefing in the way that they would an ambassador or a counsellor. So, no, I wasn't given much direction. I read the books and read the literature, and I'd learned a lot from Miss Lambton.

I was a little worried in going to Iran at the beginning, because at that time my own personal political inclinations were rather liberal -- not socialist, but liberal. And I was rather apprehensive about going to a country that was an autocracy and that people said was a dictatorship, and things of this kind.

Q. That kind of thing was said at the time?

A. Oh, yes. That, even then, although the Shah ... I think it's often forgotten that the Shah was much better known, worldwide, in those years than Persia was. Persia was something associated with carpets, and the rest. But the Shah was an international face ... he was an international figure. He was a glamorous figure. You could almost ... the word wasn't invented in those days, but you could almost call him a "pop figure". He was a "pop" head of state. Partly because of himself, partly because of Sorraya. He was

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really, I would say, an oriental Kennedy. I think I would. And not many people say that. But he and Sorraya were what John ... Jack and Jackie were later.

So -- I went to Iran. And my first impressions of Iran were -- of the politics of it, not of the country itself -- that it was recovering from those traumatic events of the overthrow of Mossadegh (28th of Mordad), and the Shah establishing himself. I suppose I thought before getting there that everything was much more stable and established than I found it. My first impression was of the overwhelming influence and importance of His Imperial Majesty, A'ala-hazrat, himself.

But then I became aware, through the embassy, of the fact that the political side of the establishment wasn't considered very important -- Eghbal, Gholam, who was then the prime minister, but that the big powers were Teimour Bakhtiar, the other name that remains with me, Haj-Ali Kia, who, I think -- I don't know this.... I mustn't talk like this....

Q. I'll be interviewing him next week.

A. Salan Be-ressan <Give him my regards -- ironically>. Do you know his son?

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Q. No.

A. I mustn't talk like that.

And the police chief ... these are memories, that these were military, SAVAK, there was Teimour Bakhtiar, and the police.

Q. Alavi-Moghaddam.

A. Alavi-Moghaddam.

And it took me a little adjustment to accept that in the embassy. Then I found that in the embassy you either talked about the Shah, these big power-brokers, and then you talked about the other extreme, the Tudeh Party. And the Tudeh Party had been repressed and broken up after 28th Mordad, but was still a subversive force and the Russians were behind it.

But it began to strike me -- and I was very junior -- that the sort of elements that I was used to looking at in England -- or in Europe -- didn't seem to exist. The ... what in England we'd now call the "Alliance," the SDP, the Liberals, moderate socialists, and the like. And, not because anyone asked me to in the Embassy, but privately, I began to think, well, "Don't these people exist here?" And partly through personal friendships with -- you meet people who are like-minded -- and through friends, and at parties, and the

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like, I became aware that these other groups existed.

And my first introduction to Iran -- if I may mention names, I don't want to get them into trouble....

Q. Sure.

A. I hope you're talking to them already. The two first Iranis that I met, before ever going to Iran, was Layli Matine-Daftary, who I loved.

Q. Heda's sister?

A. Heda's sister. And Shireen Mabdari. Now Shireen Khazemi in Salt Lake City.

Q. In Utah?

A. In Utah.

And -- again I mustn't make ~~unclear~~, but do talk to them. Shireen particularly. Who is much more political than Layli. And I suppose, through these two I was introduced to circles in Iran that the embassy didn't usually meet. And that opened .. it wasn't my insight, Habib, that I said, 'Where are these people?' I suppose to some extent it was, because I was used to looking for these people in England. It was

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because Shireen and Layli introduced me to these friends, and I found them likeable people.

And I therefore became aware of Hafez Farmanfarmaian.

Q. Yes. He's now a professor at Texas.

A. And I could name half-a-dozen other names, Hossein Mahdavi. And so, through them I became aware that there was an opposition. And for, I suppose, a year, I just drank this in at friendly dinner parties. And then I began to think the embassy should be aware of this. And I began writing notes, and sending them to the ambassador, and saying, "This is happening. People are saying this." And embassies usually don't like to know uncomfortable things. No one likes to know uncomfortable things.

Q. What was the major sort of complaint about the Shah at that point in time? What were the three or four things that they...?

A. Oh ... police-state ... already then spending too much on arms.... You tell me you've talked a great deal to Abolhassan Ebtehaj ... Ebtehaj's early disputes ... were on defense expenditure. I suppose principally those two.

So, I began writing these. And eventually my ambassador, who

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was a very intelligent, wise man. said, "Look. I think you ought to send these back to London. London ought to know about this." And...

Q. This was Geoffrey Harrison, who was the ambassador?

A. Are you talking to him?

Q. He declined.

A. Mmm. So, gradually over those two or three years, not telling tales on my friends, but reporting honestly that there was another opinion. Not disloyal to the Shah, but critical. Just as in this country you've got people who are perfectly loyal to the Queen but who are critical of Mrs. Thatcher. And I found that there were people in the Foreign Office in London who wanted to know about this.

And so, over the four years that I was there, from 1958 to '62, one built up a picture of that other opinion in Iran. An opposition, to some extent, but they were not very effective -- the way they organized things. And the things that I found were that they were very good theoreticians -- and this, of course, happened again in '78 and '79 -- they were good salon critics. But, (A) they didn't know ... they had good links with the students in the university, but they had poor links with the bazaar.

I remember -- and this is what? how many years? -- 25 years ago, now -- I remember finding that there were two schools of thought in the opposition. There were those who anyone would recognise as being moderate Labour Party here, or SDF, as we now call it. They were the SDF. And then there was a harder-line group, who were more religious. And the name I used to hear in those years was a man called Bazargan. And someone even more extreme in the religious way, I remember, Baghail -- Mozzafar, I think?

Q. That's right.

A. Mozzafar Baghail.

And they used to talk about -- not Boroujerdi, he was the Archbishop of Canterbury, he was all right -- but they used to talk about Kashani, Ayatollah Kashani. And, towards the end of my time, '61-'62, I started hearing of this real firebrand, a chap called Khomeini. And that he would preach very extreme sermons.

But all my moderate National Front friends -- and they were personal friends -- would tell me, 'Oh, don't bother about these religious people. They're mad. They're too extreme. We are the real opposition that matters.'

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And you know, Habib, that that same division -- how many years later? -- twenty years later -- manifested itself again during the revolution.

And during those years, I learnt about Allahyar Saleh, Sanjabi, Chapour Bakhtiar, and so on.

I must shorten it, if I can. I left Iran in '62, when things were hotting up. When I say 'hotting up' -- no, I mustn't jump that -- Eghbal was set aside and Amini came in. And everything changed with Amini and things opened out. And the National Front became active. And, if you remember, there were great demonstrations, great public rallies, great meetings.

And I mentioned to you before that the thing that really opened my eyes was 300 yards from the embassy in Ferdowsi. I went -- not because the embassy sent me, but out of personal interest -- I went to a meeting addressed by Derakhshesh. And suddenly I saw real live politics. Up to then everything was controlled and ordered, as you would expect in an autocratic state. But rather dull. Suddenly I was at a meeting which was excited, agitated, enthusiastic. And that enthusiasm of Derakhshesh spread throughout the National Front.

And, if you remember, it led to clashes with the students --

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the students were always the most radical element in those days -- to a series of clashes. I'm sure other people have described this to you. But there was a time, in even '62, much less '63, when it looked as if the whole regime was at risk. And you had armored cars at the crossroads of Shah Reza and Hafez. And it looked touch-and-go. But the Shah held his nerve. And I think behind him were people like Alam.

Alam, I think, was the great strength behind the Shah -- then and in '63. And my own theory is that if Asadollah Alam had not died, but had been alive in '78-'79, things would have followed a very different course.

So, I've gone back and forth a bit. I watched the emergence of the National Front in '61 and '62 under Amini. And I became aware that there were two strands within the National Front: the standard Democratic Socialist National Front and this hard-line religious National Front, who I thought was an extremist fringe which didn't matter.

Right. I left. I went off to Africa.

Q. You left in August of sixty ... two?

A. '62. I read about in the news ... I went off to Africa. Well, I became involved in African affairs, and I went to

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Kenya for four fascinating years, from '64 to '68. And instead of thinking night and day about His Imperial Majesty Arya Mehr, I started thinking about somebody called Jomo Kenyatta, whose photograph is there, behind me, sitting next to Mohammad Reza Pahlavi.

Q. Yes.

A. I mentioned to you before that the thing that kept me so close to Iran, apart from the mountains and the beautiful climate, was the way that one's Iranian friends remained close to one. And I never had to make any effort over those ten years to keep in touch with my Iranian friends. They kept in touch with me. And I kept particularly close because, in far-away Nairobi, who should be posted there to head up the World Bank there, but Cyrus Islami Sami'i, who, I hope, has talked to you. And I saw Heda. I saw Hossein Mahdavi over the years.

I came back to Iran. I always knew that, being a Persian-speaker, Farsizaban, I would probably come back to Iran. And I came back in October of '71. By then Denis Wright had been our ambassador for eight years and had left. I never served under Denis Wright, but I have met him. And no one could love Iran more than Denis Wright. Other ambassadors know Iran, but he loved Iran -- loves Iran.

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And I came back then, just at the time that relations between Britain and Iran were very strained over the Persian Gulf -- over Abu Musa and the Tunbs. And I remember vividly coming back to Iran in October of that year, and the first weekend, the first Rouz-e-Jomah, that I was there, the first Friday, my wife and I went for a walk in the hills behind the Hilton Hotel -- up there. And I said to my wife, "You know, this can't last. I can't believe that that degree of tight control, ten years ago, is still here. It ... somehow can't last. I feel uneasy."

Q. Did it seem more, about the same, or less?

A. Hmmm?

Q. The degree of control -- did it seem different?

A. As much. But what had changed was -- and it had changed in my first four years there -- was that the big power-baron of that first three years ... you mentioned Alavi-Moghadam, the minor figure, Bahr-tiar, and Haj Kia, had all been pushed aside for a variety of reasons. And so when I came back in '71, it was the Shah up front. In an absolutely dominant position. And then you had this extremely charming, extremely clever, urbane man, Amir-Abbas Hoveida, as prime minister. And I used to meet him at parties, with Hancouch, in those years before, when he was in the oil company. And I

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always thought of him as a dazzlingly clever man. One of the most clever, charming men I've ever met. But the control was there.

And one of the first things I did when I came into the embassy proper in January of '82 -- sorry, of '72 -- was to ask my colleagues, "What's happened to Allahyar Saleh, Sanjabi, Chapour Bakhtiar? The people I used to follow." And I was told, "Forget them. They're figures of the past -- disappeared. No account. Ahamiyati nadarand <They don't count>."

Q. Again, before coming back to Iran, there was no period in which you could sort of study the files in London and catch up with what's been going on?

A. No. I certainly wasn't briefed in that way. But again ... I was coming back as now, not a junior, but a middle government fellow, so they wouldn't take the pains to brief me in the way that they would an ambassador. If you talk to Peter Ramsbotham, he can tell you what briefing he had before he came back. Because he came back to Iran ... he'd been in Iran -- what? -- about a year, when I came back in '71. And I remember asking a few people and being told that these people are of no account. So I rather forgot about it.

And the business of the embassy then was in supporting the

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present order, in looking for business opportunities, looking for defense sales -- all these things. There was always ... if I've read one dispatch from the British Embassy, I've read ten, from different ambassadors, which started: "If the Shah were to die tomorrow, what happens?" And none of them ever came up with an answer because there wasn't an obvious answer. So I fell in with the thinking that this could go on forever.

And then I focussed my attention then on the guerilla movements, which were very active at that time. The name I remember was the great incident at Siyahkal. And about two years after that, Denis Wright and I, and another great friend, who used to live in Iran, so I won't mention a name -- not an Iranian -- did a marvellous journey right across the top of the Caspian. We came down through the forests of Siyahkal. So ... this is all by the way

I was aware of these guerilla movements. But an organized Democratic Socialist opposition had gone -- or appeared to have gone. But I remember -- oh, when would it be: '72, '73, that sort of time -- a great fuss and bother about a mosque on the old Shemiran road, which I'm sure you remember, called the Hosseiniyeh-e Ershad. And I recall one day finding the whole old Shemiran road blocked by police. And the mosque surrounded. And I was told the reason was that SAVAK had come in and had stopped whatever sermons were being preached

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in Hosseiniyeh-e Ershad. And this alerted me to the fact that a religious movement -- I didn't know what it was -- was active. And that somehow it was expressing what a lot of people felt. And I began to take a greater interest in the religious side.

And -- I'm jumping years, but I went one year to the Shiraz Festival, in Shiraz. When would it have been? Seventy-six, I suppose?

Q. It was going for a number of years.

A. Seventy-five. Yes.

And at that Shiraz Festival, they allowed -- or the authorities allowed -- for the first time, the ... my memory ... taziyeh <traditional religious drama>?

Q. Taziyeh .

A. Taziyeh . And it was put on rather like a show: that this was a bit of ancient Iranian history that was now safe, insulated, was no longer a threat. And we foreigners could be allowed to witness it. But it electrified me. And I linked that with my memory of Hosseiniyeh-e Ershad. And I began to think that something was stirring, that I couldn't understand, and that no one could tell me about, but that was

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important. And I began to notice that mosques were opening. Do you remember? In Shemiran -- all over the place. And people would say they were ... more people were going to the mosques. I didn't work it out -- I just was aware that something was happening.

Right. Now don't let me digress. Where am I?

I was still told that the National Front that we used to know didn't count. That judgment, I suppose, lasted through my two and a half years in the embassy at that period.

Then I left the embassy -- for purely personal reasons -- to become a banker.

Q. This would be in...?

A. In '74. Well, I decided to ... I had an invitation to do this, towards the end of '73. And it took me about six months to work it out. I'm not going to bore you with the personal reasons why I wanted to do it. I did it. And I decided that I was going to take this opportunity to change my career. And I left Iran in May, '74. I came back to London, left the Foreign Office, became a banker, learnt something about banking in six months. And I came back to Iran in October, '74. So I was only away six months.

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When I came back, I had to learn a completely different Iran. I'm reluctant to talk about my personal history.... But, being a political animal, I could never lose my interest in it. And I kept.... The bank wasn't interested, except insofar as it affected the stability of Iran, and whether it was a good lending risk. But I followed it, and I had my friends that I'd had all these years. I had friends in the establishment, and I had my friends in this area of the liberal opposition. And I kept being aware of this religious undertow -- you know what I mean -- behind things.

And I remember very clearly when Nixon went, Ford came, and then Ford lost that election, and Carter came in. One of the most vivid impressions I had was still in my ... yes, still in my days in the embassy -- and it's a central point in Gary Sick's book -- was when Nixon visited Iran. You probably saw it yourself. Nixon and the Shah standing up in an open car -- which was quite unprecedented for the Shah -- drove through the streets of Tehran.

Can I backtrack for a moment, because I remember ... an incident?

Q. Of course.

A. In my first period there, in '61-'62 -- '62, I suppose, when Kennedy came in to office. And I remember hearing at

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the time that the Shah deeply distrusted Kennedy. Because Kennedy was seen as the man who had pushed Ali Amini on him, and he never trusted Amini because he'd come with the Americans' backing. When Carter came in, it was to some extent a replay of those Kennedy years. And ... sorry, I've lost track of which period I'm in now. So ... I'm in ... my banking years, when Carter came into office.

Q. Yes. '76.

A. I judged then that the Shah had lost his bearings in relation to the American -- U.S. -- administration, because he couldn't read the signals anymore. He became uncertain as to how to react. And you'll remember -- many people must have told you. I was told, for instance, that when he sent a ritual telegram of appreciation to Carter, on his election, that it wasn't even acknowledged for a month or more. And this unsettled him. Was Carter against him?

I was following things now really ... way outside the embassy, as a complete observer. And I mentioned to you before that the thing that opened my eyes to this was in June of 1977.

And I went to supper with one of the leading British correspondents in Tehran at the time, Robert Graham. And Robert Graham had, that day, been following up the leaflets

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that were then circulating in Tehran, and had been given an interview with National Front ... or some of the signatories of these leaflets. I was having supper with Graham that night, and he came in with all his notes. And for the first time I read these leaflets and saw how very critical.... Well, not very critical, but for the first time in print saying critical things of the Shah and getting away with it.

And he told me that he'd been allowed to talk to these people -- not only talk to them, but he'd been told that if he wished to write an article about them he was free to do so. And that said something to me, looking back to my old embassy days, that things had changed fundamentally. And that if the regime -- in other words, if the Shah -- was prepared to have these public criticisms of him published in a Western newspaper, that a system of control and discipline had changed. Policy had changed.

And from that moment onwards, I became aware -- and I advised my bank accordingly -- that what had been the accepted certainties of life before had changed. And that was mid-'77, and from then on you know how things progressed.

Now, you ask me a question.

Q. Well, I would like to go back to your first time in Iran, and ask: as a political officer in the embassy, what sort of

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knowledge or contacts or relations did you have with the clergy?

A. None. The Emam-Jomeh. Right?

Q. Of Tehran?

Q. The Emam-Jomeh of Tehran. Who was like the Bishop of London, or like the Archbishop of Canterbury -- entirely safe. I don't know if the embassy ever met him. I never met him personally. But you know as well as I that subsequent events showed this counted for nothing. And that it didn't reflect what was happening in cases like the Hosseiniyeh-e Ershad. And I think we now know, don't we, that what I sensed in that Hosseiniyeh-e incident was happening in many mosques throughout the country.

And looking back, myself, now, I think the beginnings of the real trouble in Iran began when there was a reconciliation between the Shah and Saddam Hossein ... over the Shatt-al-Arab. And the frontier between Iraq and Iran, which had been closed for years, was opened. And I think I'm right that Hoveida, to symbolize the new spirit, paid a visit, didn't he, to Karbala -- a religious visit.

And I think from then onwards the message from Khomeini, who all those years had been sitting in Karbala -- I find most

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people in the world think he was sitting in Paris all those years -- but you and I know where he was. From that time onwards, the tape recordings, the messages, began to come back into Iran, and began to excite and agitate the mosques, and began to spread among the people.

And it's quite possible that if that reconciliation with Iraq had never come about, that you wouldn't have had that flood of Khomeini propaganda coming back into Iran. That's my memory of where that began.

Q. You are familiar with the impression of many Iranians that the British historically had had close ties and relationships with the clergy. Now is there any truth to that, or is there historically any truth to that? Something that ... was mostly in the past and no longer existed, or...?

A. I think it goes back to the 1906, the Mashrutiyat, when -- you've seen those photographs in the Gholhak embassy -- the Bakhtiari and the mullahs came together. It was a relationship that existed at that time, but it had not been retained. There was no ... that I ever saw. Well, I know. There was no close connection. There was no connection ... at any meaningful level, between the British Embassy and the mullahs. If I say "the Emam-Jomeh", I've said it in one sentence, haven't I?

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Q. Yes. How about the bazaar? Was there any way that you could...? In what way did you keep informed as to what's going on in the bazaar, if anything?

A. We didn't know. We really did not know. I used to think.... The longer I was in the British Embassy, the more I became aware, particularly in my second -- no, not particularly in my second time.... I began to find that our commercial section, dealing in trade matters, and selling goods, although they weren't aware of it, were more in touch with ordinary opinion than the political section was. The political section was dealing with vazarat-e omum-e kharejeh <ministry of foreign affairs>, dealing with darbar <the royal court>, dealing with these things. And when you talked to the market officers, the second secretaries, commercial, you found you were talking about a different Iran.

And when you talked to the British Council, who were teaching Iranian students. I became aware that I was talking to people who saw a different Iran from me. Because they were talking to 18-year olds, 20-year olds, and they were getting an impression of much more discontent, of much more opposition.

So between these two forces, the commercial section, the British Council, and that legendary thing, the Tehran

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taxi-driver -- not to be underestimated, hm? Some of my best conversations in those six months of the revolution were with the rannandegan-a taxi (taxi-drivers).

I became aware that things were stirring -- even in my time in the embassy. And after I left the embassy I just became ... I was switched on. I became alert to these changes.

Q. Was there any sort of a regular basis on which information could flow from the cultural offices and from the commercial people....?

A. No.

Q. On political terms?

A. No. You see, it's not the British Council's ... it wasn't -- and isn't, I'm sure -- the British Council's job to send political reports. It isn't its business. So unless you had political officers in the embassy who were asking questions of the British Council: How do you find the students? Or unless you had people in the political section saying to their commercial colleagues: 'Look, what are they saying in the bazaar?' No.

Now there were one or two of my colleagues who were more inclined ... who were perhaps inclined to be critical of an

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autocracy, and therefore inclined to be critical of the Shah. Who were therefore more attuned to these things, and would occasionally put pen to paper and say, "Everything isn't rosy. There is an opposition. Not everyone is happy. Don't believe what the regime says." But no one knew whether to take this really seriously. And if you did take it seriously, well it was going to upset a lot of preconceived, comfortable notions.

Q How far would these typically get? Did they get past the ambassador?

A. Oh, yes. Of course. I wasn't there during the Denis Wright years; I didn't see what he wrote back. But I don't think in those years anyone would have written ... any ambassador could have written and said, "Gentlemen in London" -- or "Ladies and Gentlemen in London: There is a serious force of opposition building up to the Shah." But everyone who had any nous, good sense, in the embassy had to be aware that things couldn't be 100% united, that there had to be some discontent.

And I mentioned to you -- I'm going back and forth -- that my gut reaction, when I came back after ten years, and I said to my wife, and she said -- she had better political instincts than I: "My God, this can't be still going on! There must be serious opposition. How is it not showing itself?"

And I remember leaving the embassy and talking to visiting businessmen. And they would say to me, "How is it that all around us -- Iraq, Lebanon, Egypt -- all of these seem to be in revolutionary ferment ... how is it that this place is stable, quiet?" And my -- I hope honest -- comment to them was, "Look, it sometimes surprises me, but the Shah seems to be a master of the situation through his institutions. He seems to have it under control. It does surprise me. And all I would say, Gentlemen <to visiting businessmen>, don't think that somehow you are in a Denmark or a Sweden that is somehow implanted in the middle of the Middle East."

And I used to say to them, particularly after the Portuguese revolution -- do you remember?

Q. Yes.

A. When ... what's his name? You know. It'll come back to me in a moment. The dictator -- Salazar. When Salazar was overthrown. And instantly -- there was one man after him -- and then after that came socialists, communists, and the whole of Portugal seemed to be disintegrating.

I used to say to my businessmen, "You are contemplating investing in a country which could, in a week flat, go the way of Portugal." And they would say, "But if the Shah died,

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or the Shah was run over by a London bus <and after all, you had London buses in Tehran -- not that he was going to get run over by one>, you'd have the Queen or you'd have a regency." And I used to say, "Don't count on it. I think it would be like Portugal, that out of nowhere would appear all sorts of opposition elements -- and not just communists, but religious elements or National Front elements. They're all there. But they're screwed down."

Q. What was the extent of the embassy's -- or the ambassador's -- contacts and, in particular, audiences, with the Shah?

A. The embassy always had ... very intimate relations with the Shah. It depended on the person of the ambassador. I think Denis Wright had an unusually frank and candid relationship with the Shah. I think a more honest, direct relationship was with Asadollah Alam. Hoveida -- because I'm talking of my latter period there -- Hoveida was always seen as the "grand executive". He was really the vazir <minister>. And he was nakhost vazir <prime minister>, but he was the old type of vazir, as you've had in all Iranian history. But the man who was the confidant, advisor, of the Shah was Asadollah.

And I knew Asadollah, and Asadollah has spoken -- and you must have had this from many people -- that in those

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traumatic events, that great crisis, of '63, when Khomeini was, in the end, sent packing, and when things were very nearly touch-and-go, it was Alam who was the steel behind the Shah. How far Princess Ashraf was too, I don't know. But certainly Alam was. The decisions: do we face them up on the streets or not? Is Khomeini executed or is he sent into exile? You've got all this, I'm sure, from other people. And I think the strength, then, came from Alam.

And I have got a strong feeling that if the Shah hadn't lost Alam, in those last three years, possibly if he hadn't lost -- I don't know -- Khatemi too? I don't think Khatemi was an advisor -- I'm guessing here -- in the way that Alam was. But Khatemi was a man who was trusted, in control of the armed forces. I think the Shah lost a number of people in quick succession, and when the next crunch came -- the revolution -- he hadn't got round him those two or three people who would either make decisions for him or who he could turn to for advice. And I think that counted a lot.

And the more I read -- sorry, I'm jumping ahead now, to the revolution. Is this...?

Q. That's fine.

A. The more I read the memoirs of the revolution, Tony Parsons' book, Gary Sick's book, Bill Sullivan's book,

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psychologically it is extraordinary, you know, Habib, the way the Shah leant on, I mean, put his head on the shoulders of, Tony Parsons and Bill Sullivan -- whom he hardly knew. He knew Tony Parsons, but.... And I think that to some extent they were substitute Alams. He wanted help, he wanted advice, he wanted someone to strengthen him.

Q. But during the days when he was strong, how much advice was he getting from the British? What was the frequency of audiences with the Shah?

A. I'm going back to my latter period, when Peter Ramsbotham was ambassador, and if you're seeing him he'll tell you much more than I can tell you. The Shah was then at the peak of his power and very arrogant. He knew best. You know those interviews on British television. And my memory, from what I heard in the embassy then, that we had much more, in fact, quite irrelevant nonsense about articles in the Guardian. Articles in the Times. And the Shah getting angry. And the Shah ringing up the ambassador and blasting him about some article that had been written in the Guardian.

That's what the relationship was. We were being treated as his public relations firm. And if we weren't giving him good public relations -- or the BBC -- it was our fault. Now that isn't a real relationship. That isn't a relationship where you can say, "Your Imperial Majesty, I'm your friend. I

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think you're going wrong in this area or I think you're going wrong in that area."

And I think he denied himself. If he'd been more humble in those days, and been able to say, "Look, Habib, do you think I'm doing the right thing? Tell me what you think. You're a wise old hand." He denied himself a lot of help because he was forever ticking us off for irrelevant, superficial things about what had been written in the British press. And I'm sure the American ambassador had the stick in the same way.

Q. What you're telling me is that during those years ... the British ambassador was not in a position to give advice and counsel to the Shah.

A. No. Now, I wasn't there in the Denis Wright years

Q. But, during Geoffrey Harrison?

A. Oh, not Geoffrey Harrison, no.

Denis Wright is a very -- you know -- blunt speaker. And I don't know what ... I wasn't there. The real bedrock of Denis Wright's period, that I've always heard about, when I've heard Denis speak about <it>, was not so much his relations with the Shah, but with Alam. And I think Denis Wright will have spoken much more frankly to Alam than he

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ever did to the Shah. But he did speak frankly to the Shah.

Peter Ramsbotham's day.... No, Peter is a lovely man ... but he never became Iranian, never got into the Iranian soul. Mystically, yes, he became, as you know -- I think you do know -- he became very involved in Sufism and all that. So, no, I don't think that Peter Ramsbotham was the man to set the Shah right on broader issues. What Peter Ramsbotham did try to do was to say to His Majesty: "Look, don't get het up about an article in the Manchester Guardian. What the hell! It doesn't matter."

And there was a sort of pact arranged at one time between Peter Ramsbotham and the Shah, that the Shah -- I remember the words put on it, yes -- that the Shah would accept "constructive criticism but not destructive criticism."

Q. From the press?

A. From the press, yes. And one ... fruit of this was (my name might be wrong on this -- I talked to him about 15 years ago, or whatever it was) that the Shah agreed that a Guardian journalist should come and do four articles on Iran. And provided the criticism was constructive, he could criticise.

And the man who came -- and this is where I may get the name

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wrong -- I think was David Holden. The man who was later -- no connection, no hidden hand -- was assassinated -- was murdered rather, in Cairo. Do you remember?

Q. <unclear> Holden?

A. I think it was Holden. And he was murdered between Cairo Airport and going into Cairo. I think it was David Holden who came and did four articles on Iran. And who was trying to find the mark <?> now.

The first three articles, the Shah had to bite his tongue from time time. The first one got his goat. You know what I mean by "got his goat"?

Q. Yes.

A. Because it talked about the water-sellers around the Shahyad Monument, selling water, which was a traditional Iranian thing. Why not sell water? Here they sell ice cream, there water. For two rials. And he made a great thing about this -- that in Iran the people are so poor that they have to pay two rials for water. Well, if I'd been the Shah, I'd have been very angry at this misreading, misunderstanding. Water is ... you sell batani <ice cream> too, but you sell water.

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But it was the fourth article.... My, you are leading me into all sorts of things I'd almost forgotten about! The Shah went through the roof, Habib, about the fourth article. (You can still find them -- it must have been '72 or '3.) Because in the fourth article, all the things that David Holden (if my name is right) had learnt from this critic, that critic, this National Front, that ... he put it all in the last article. And the Shah had, as I said, bit his lip on the previous ones, even about the water-sellers at Shahyad, but the fourth article -- wumpfh! He went through the roof.

And he summoned Peter Ramsbotham to Niavaran. And he was very angry. No -- correction: he didn't summon him. The Shah was going on an overseas visit -- I have no idea where to -- and he was going down the line of -- Peter Ramsbotham will tell you about this -- he was going down the line of ambassadors at the airport, when he said, "Bale, ghorba'n." And he took Peter Ramsbotham out of the queue. And he tore him off a strip about this article.

My memory might be a little mixed up. But all I'm saying is an indication of how this press coverage tended to dominate relations between the British Embassy and the Shah.

Q. You're at the same time telling me that the British ambassador was not a very powerful figure vis-a-vis the Shah.

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I suppose that's an understatement to you, but to some people who may hear this tape this may be a revelation.

A. Any Iranian who believed that the British somehow pulled the strings, or could say to the Shah, "Your Imperial Majesty, do this." Or -- God forbid! -- "Mohammad, do this." Not true. What we were doing most of the time was fire control over trivial things. And at the same time trying to preserve contracts. Defense contracts. The Chieftain tank. Everyone here scared stiff as to whether big contracts were going to be put in jeopardy by incidents like this.

I just, listening to the news this morning -- here we are, the 15th of October, 1985, you'll probably listen to this in 2025, when I've long since gone to my maker, but I just thought on the news this morning: was it two weeks ago we signed a 25 billion, or some ridiculous figure (no, not 25 billion) -- three or four billion deal with Saudi Arabia, didn't we? Sale of aircraft. And this morning Geoffrey Howe cancels his meeting with the PLO. And I thought, "Is King Fahd in Saudi Arabia going to say <claps hands>: 'End of contract!'"



HARVARD UNIVERSITY

CENTER FOR MIDDLE EASTERN STUDIES
IRANIAN ORAL HISTORY PROJECT

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NARRATOR: DESMOND HARNEY
DATE OF INTERVIEW: OCTOBER 15, 1985
PLACE OF INTERVIEW: LONDON, ENGLAND
INTERVIEWER: HABIB LAJJEVARDI
TAPE NO.: 2
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HARVARD UNIVERSITY

Narrator: Desmond Harney

Date: October 15, 1985

Place: London, England

Interviewer: Habib Ladjevardi

Tape no: 2

Q. I wanted to ask you about the relationship between the British Embassy, or British community, and Iran's security forces, namely the SAVAK. Did you help to...? In what way did you do anything, have any relationship with...?

A. It's no longer.... It's an open secret -- it's been talked about by many people -- that the embassy had, as they have in many countries where they have friendly relationships, SAVAK was not just a part of the government we were dealing with, it was a fairly important part. And the embassy had got a working relationship with SAVAK -- yes. So did the Americans, so did the French, so did the Germans, so did the Israelis -- they all did. SAVAK wasn't some underhand organization; it was a major power in the state.

Whether it was Teimour Bakhtiar, whether it was Pakravan (who everyone loved in the embassy -- beautiful French, literate

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figure), whether it was Nasir -- they came to embassy parties, we saw them at receptions.

I'm sure there was -- well, there was -- an official relationship. But it was the sort of relationship one would have with any security service from Bolivia to South Africa to Japan. They were part of the government. You had your relationships with the ministry of foreign affairs. You had your relationships with the ministry of industry. You had relations with SAVAK. We didn't call the shots, as the Americans would say, with SAVAK -- not remotely.

Q. But having in one way or another <?> helped to set it up, how did you receive criticisms that were being leveled against it? Some of the more severe criticisms such as their behavior towards prisoners, and so on?

A. Torture and the rest of it?

Q. Was there any feeling that "we have created a monster"? That <unclear> control it? Or was it: "It's none of my business. It's local affairs."?

A. Well, Habib, any power has got to say, whether dealing with Russia, South Africa, or Iran: "I'm dealing with the regime, and therefore I've got to deal with the facts of life. SAVAK are part, an important part, of that. We will

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have correct, friendly relations. But we will not <I remember this user to be the embassy rule> ... it is no business of ours, in any dealings we have with SAVAK, to be involved in internal Iranian affairs at all."

If we are asked to advise, assist SAVAK on the equipment for internal control, or repression, or whatever word you use -- no. We wouldn't be asked. If we were, we wouldn't respond. But never forget that, from what I used to understand in the embassy, SAVAK was not ... it was like the KGB, it wasn't only internal, it was external. And external -- the enemies of Iran were our enemies. And if Nasser was, at this time, years ago, subverting the Gulf, and SAVAK wanted to know what Nasser was doing, it was of interest to us too. That's where the connection with SAVAK was.

Another common enemy -- the common enemy -- was the Russians. If we were friendly with the Shah, and wished to preserve the Shah, which was the center point of everything we did -- the stability of Iran, and the Shah being the guarantor of that stability. If the KGB -- or the Chinese, for that matter -- was seeking to subvert Iran, we wished to know about it, SAVAK wished to know about it, and we exchanged information.

Now a lot of that exchange of information took place quite openly -- well, openly, the world was told about it -- in CENTO. And there was a committee -- not a secret -- called a

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Countersubversion Committee, which Turkey, Pakistan, Iran, Britain, the States -- no, not the States, I don't think -- used to sit round a table and exchange information. So yes, if the Iranian intelligence services -- and it wasn't only SAVAK, you had the military intelligence, you had the police -- knew that the Russians were up to no good, or the Bulgarians were up to no good, and we could help them on that, we would help them.

But if it was a question of: does SAVAK...? How does it deal with the National Front in Kerman? They wouldn't talk to us. We wouldn't talk to them. We would know nothing about it.

Q. There was no feeling that you had to ... moderate them or to somewhat influence them to tone down their activities <unclear>?

A. No. The embassy might have to ... would read in the press that SAVAK was said to be repressive -- torture. I've heard it said about other intelligence services too. But we were living in Iran. The Shah was the king of Iran. We were dealing with the government. This was one of his institutions. If they did these things, it wasn't our business to inquire. We weren't there to ask about the internal affairs of Iran.

And I think I'm right, Habib, that ambassadors, British

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ambassadors, in their meetings with the Shah, over the years that I ever saw anything, were talking to the Shah, not about Iran -- and this may have been a mistake, in retrospect. They weren't talking about Iran; they were talking about Afghanistan or Pakistan or Indonesia or Nasser -- for years about Nasser. And the no-go area, to use modern parlance, the no-go area was Iran itself. Now this may have been a mistake.

Q. Among the public issues that have come out of America, it seems that the American Embassy, and its associated intelligence services and so on, had decided that it was not wise or appropriate for them to collect information regarding internal political opposition. How would you characterize the British response to this question?

A. Very much the same. Very much the same. I'll tell you two stories. One I've told you already. I was away for ten years between '62 and '72. When I came back, I found that the gap that I had discovered between the Tudeh Party and the establishment, back in '62, had become a gap again. I -- not only me, but one or two of us -- had begun to sketch out some idea of what was in the middle of that gap. When I came back in '72, there was a gap again.

If I said to colleagues in the embassy, "What's happened to my old friend?" Well, it was never a friend. But: "What's

happened to Chapour Bakhtiar?" "Who?" I said, "Chapour Bakhtiar." "Who's he? You mean General Bakhtiar?" I said, "No, not General Bakhtiar. Chapour." "Never heard of him." I'm not exaggerating. And because I'd become perhaps more political over the years, particularly being in Africa, I again tried to find out a little more about these fellows. But found that there wasn't much to tell in those days. That's one story -- I've told you that already.

And a very telling story -- I'm not going to mention the embassy official who said this to me. But I remember vividly in September '78, in other words, right into the revolution, I'd been on midsummer leave, like everyone else was: Tony Parsons, Bill Sullivan.... I came back the day after Jaleh.

Q. The Jaleh Square incident?

A. Jaleh Square. And I can virtually quote this verbatim, and I think ... I hope it will tell you a lot. I went to an embassy party. I was invited to an embassy party -- I can't remember what it was about -- <a> consul was leaving or <a> consul was going. And a quite senior member of the embassy -- not the ambassador -- came up to me, and he said, "Desmond," he said, "you were here before. You were here all those years before, and we've always heard you knew a lot about the opposition." He said, "Can you introduce us to any mullahs?"

Quote: "Can you <me!> introduce us to any mullahs?" Now, you read into that what I'm telling you. And if I don't say anything else tonight, that, I hope, will give you an impression of how the embassy was right out of touch. Not only with the moderate opposition, the National Front -- they didn't know them. But the mullahs -- they didn't know one.

Q. Is your impression that the French and the Germans and the Israelis....

A. I can't speak....

Q. ...were about the same as you people -- you and the Americans?

A. Habib, I can't speak for the French at all.

Q. Why? Were they...? Because....

A. I just ... didn't know them.

Q. And they wouldn't let you...?

A. No. I just didn't know them. I couldn't say. The Germans -- I knew a number of German diplomats as friends. I wouldn't have thought they knew any more. The Israelis --

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well, I'd never underestimate the Israelis. I don't know, because I wasn't dealing ... I wasn't in the embassy then. When I came back in '78, remember, I was a banker, not a diplomat.

Q. No, but I mean, even in those years when you were in the embassy, did you have a feeling that they were sort of better in touch with what was going on?

A. The Israelis, yes.

Q. The Israelis?

A. Yes.

Q. And would they tell you and the Americans much? Or they kept it pretty close to themselves?

A. ~~Minutemen~~. No.

Q. They wouldn't tell you.

A. No. They.... We ... I would say, there was no regular exchange of information at all. Because that's what you're asking me. No. No. None at all. Cocktail party chat.

Q. I see.

A. If the British ambassador met the Israeli -- well he wasn't an ambassador -- whatever he was called: head of delegation or something, wasn't it? Are you talking to 'Uri Lubrani?

Q. I should.

A. Oh, you should. Absolutely.

Q. He's here in London, I believe.

A. I don't know where he is. I haven't seen him for several years. I knew him in Africa too. He was in Uganda. He used to deal with Idi Amin.

Q. Can you try to compare, with your limited, or extensive, or whatever it was, knowledge of General Bakhtiar and General Nasiri, as to how you'd compare them as head of, you know, Iran's SAVAK?

A. Habib, when I first went to the embassy, I was very young. And Teimour Bakhtiar was larger than life. You know. Did you ever meet him?

Q. No.

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A. Teimour Bakhtiar was eight feet tall. Everyone spoke about him. Next to the Shah, it was Teimour Bakhtiar. And he was a handsome fellow. You must have seen him.

Q. I've seen pictures of him.

A. A swaggering fellow. Very good-looking, and all the rest of it. Anyone who came....

Q. What would you say about his knowledge, competence, abilities?

A. Well, I would.... I always thought of him as a tough tribal chieftain. Shrewd, but decisive, tough -- in other words, an operator. Not a bureaucrat. Because in politics, in diplomacy, in intelligence, you can have operators or you can have bureaucrats. Whatever organization you like. Teimour Bakhtiar was not a bureaucrat.

I think Nasiri was more -- from what I ever saw of him -- I used to see him at big receptions and things. He was more of a ... he was doing his job. But Teimour was a big operator. I mean Teimour ... if anyone could have mounted a coup d'etat, he would -- against the Shah. Bakhtiar was a big enough shakhsiyat-e khezrg boud <powerful character>.

Now another fascinating man, of course, who succeeded

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Bakhtiar, and whom, I'm sure, people have talked to you about, and you could write a book about him -- someone must some day -- was Pakravan. Who was like a.... Have you ever met Pakravan?

Q. Yes. He was ambassador in Paris.

A. Oh, yes, of course. He was in Paris.

A professor. A really roshanfekr <intellectual>. Not only was he roshanfekr, but he was also -- what's the word I want? -- intellectual. Yes. You couldn't believe that a man like Pakravan could succeed Bakhtiar. A great patriot. The last man to hurt a flea! Much less to order torture of anyone. Unbelievable that you could have that. And that always made me think that SAVAK was not just a simple, crude, rough police, secret police force. And you told me a name earlier this evening, and he can tell you about <unclear>.

Then you had Nasiri. He was much more secret police <unclear>.

Q. A lot of Iranians now wonder why the SAVAK, which was considered to be so powerful and so knowledgeable, and have such extensive networks, turned out to be so ill-informed about what was going on in the country. I mean the Shah is quoted as having cursed the inability and incompetence of

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SAVAK during his last days. You, as an observer in Iran, must have perhaps, at some stage, perhaps after the revolution, wondered ... you know, the same question.

A. Habib, it's the old, old story, not just in Iran, but in any country in all history. An intelligence service, a diplomatic service, business intelligence, whatever you like, is just as good as the courage of the people at the top. If you get a strong man at the top, who says, "My patriotic duty is, Mr. President, Your Imperial Majesty, the King -- whatever it is -- my duty is to tell you that things are not going well. And if you like to dismiss me tomorrow, so be it." The king, the president, will get the truth.

But so often, they're people looking after their jobs. They're thinking of their pensions. They're thinking of retirement -- probably in Iran. They were worrying about their lives. Not that the Shah would have killed them, but he would have pushed them aside. I mean, look at the people who did tell him disagreeable things: Ebtahaj, Khodadad, Fereidoun Djam. I've mentioned some names. And you know what happened to them. Not shot or imprisoned, but...?

Q. They can't see your motions on tape, so you'll have to explain.

A. Sorry. People like that, who brought, not little

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criticisms to the Shah, but fundamental questioning about his policy -- defense expenditure or whatever it might be, were moved aside. Politely. He was.... I mean, Ebtehaj was arrested, wasn't he? Haj-Ali ... well, that was different. Khodadad lost his position. They were moved aside.

So, if you get an intelligence service, or a police service, security service, SAVAK, with someone who is devoted to the Shah, and who is like ... someone like Nasiri, who's not going to tell him unpleasant things -- if he knows them. He's going to doctor them. He's going to tell the Shah what he wants to know. Then, no matter what good information that service has, it's not going to get to the boss. Do you follow me?

Q. You're saying the Shah didn't want to know the truth.

A. Yes. Or, those below him thought: "He doesn't want to know the truth. The truth will make him unhappy or uncomfortable, so we'll doctor it and only tell him what he wants to know."

Now, I'll give you another name in here. (Will you have another cigar?)

Q. No, thank you.

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A. I'll tell you another name in here, and I wish you could interview him. I would be ... fascinated to hear it if you had. Fardoust.

Q. Mm-hmm. The trouble is he's in Iran, and we can't....

A. Still is, is he? As far as....

Q. Yes.

A. My memory, from my first period in the embassy, was that because the Shah thought that he wasn't hearing from Teimour Bakhtiar and the others what he wanted to know, he brought his trusted friend in, Fardoust, to tell him the real truth. But then, you become part of the same system again. You suppress the truth, or you doctor the truth.

Q. If I remember correctly, I was told that he was sent to England for some training to set up a special bureau to coordinate the information and so on.

A. Yes. That's right. That's right. But he became part of the system. In any country, ultimately, the head man or the head cabinet will only listen to what it wants to hear.

Q. How do you think they lost track of the religious grain, if I may use that word, within the body politic? I mean,

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you're telling me that you noticed Hosseini-eh Ershad, and you'd heard of Khomeini, and you saw more mosques being built.

A. Well, I've told you my personal reaction. That's what I saw. The times I ever saw ... I spoke directly with the Shah, if I was there with the ambassador and heard him speak.... One thing I will always remember -- this was my days in the embassy -- because I never saw His Majesty after I became a banker -- the Shah was fully aware of the dangers from the religious elements. He ... it didn't take him by surprise. What took him by surprise was that he couldn't contain it. That he couldn't divide it and rule it.

But I remember during -- what was the period? Which was the Israeli war? The Yom Kippur War? Yes. The Yom Kippur War. Where Iran got deeply involved because it was supplying oil to Israel. And the clergy, the mullahs, became very upset because this was an Israeli-Muslim war. And I remember the Shah saying at that time, "The only people in this country whom I have to listen to and adjust my policies to and be careful about are the religious." He had no doubts.

Where he went wrong was that he had contempt for them, as you know. He ... well, had contempt for them. And he resented every time he had to make an adjustment of policy, a compromise, because of the strength of the religious

movement. And as soon as he got on top of them again, as soon as he'd given that compromise, he ... (sorry, I mustn't do these gestures) ... he brushed them aside. But he himself knew that the only people he had to fear in the country were the religious. And he knew that the only individual -- all those years, from '63 onwards, or more, further back -- that the only individual whom he had to fear was Khomeini.

Q. He knew that?

A. Yes. I've heard him say, Habib.... And I last saw him in any intimate political discussion way back in -- when am I talking about? -- '74. I heard him talk of Khomeini then. But only to dismiss him as a troublemaker whom he could keep in check. But he worried about him.

Q. In February 1978, when there was an uprising in Tabriz, it was said in the Iranian press and by a statement of the prime minister at the time that this large crowd was imported from outside of Iran; they were infiltrators or something. Now, from the understanding you had of these individuals and these people at the top, do you think they really believed what they were saying? Or was this just for public consumption?

A. I think they were trying to kid themselves, too. I don't know whether they really believed.... No, they couldn't have

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had any hard information because there wasn't any. I don't believe -- I don't know -- I wasn't in the picture then. I don't believe there was any hard information. I think they were kidding themselves.

Just now, in this country, in Britain, October '85, we try and kid ourselves about our urban riots, that there are outside instigators stirring it up. What we don't want to recognize is that -- I don't want to talk about England -- but in 50 places these sort of riots could happen because it's in the people. And so everyone will run for an explanation which will enable them to sleep quietly. But, no, I don't think they really ... I would have thought the Shah began to have sleepless nights then. He should have had.

Q. I'm going to go back now, again, to your first time in Iran. I think it was about the time you had arrived ... or about the time that you got there was ... the Shah began an experiment with the two-party system: the Melliyoun and the Mardom parties. Some have said that the American Embassy, and perhaps, I think, the person -- I forget his first name, the last name was Rockwell....

A. Yes. Stuart Rockwell.

Q. The sort of promoter of this two-party system. What do

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you remember about this two-party system? I mean, in general.

A. Well, I remember that. My period, when I have more direct, personal memories, was the later days with Mardom, when I came back in '72 -- and Rastakhiz. I think the Shah ... the fundamental thing to understand about the Shah: there were two Shahs. There was the son of his father, the Iranian, Mohammad-Reza, who thought in Iranian ways. And there was a Mohammad-Reza who had imbibed liberal traditions in Le Rosey. And you cannot exaggerate these two cultural strains within the Shah's thinking.

He wanted to see himself, and wanted to act like, a Western democrat. But he never saw that it wasn't enough to just have a good shop-window; you had to have the goods on the shelves behind. So that if anyone came into the shop and said, "You have a nice thing in the shop-window. Can I have three of them?" he had to have them on the shelf. Do you follow me?

Q. Yes.

A. His two-party system was all in the shop-window. As soon as one of those parties started saying awkward things, difficult things, questioning things that he had decided would happen, they became disloyal. So the two-party system

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was always a non-starter there, because he wasn't prepared -- ever -- to have a real opposition. About petty things, yes -- town council things, yes. But not much.

And my vivid memory of that, I think, was the thing that led to the start of Rastakhiz. Do you remember he (I'm forgetting my names)...? Kani, wasn't it? I can't remember who was before Kani.

Q. Ameri, who got killed in an auto accident....

A. That was the one.

Q. ...in the north.

A. In Rasht.

Q. Nasser Ameri.

A. No, not Nasser Ameri. He had said one or two things, or given interviews, and our impression in the embassy -- and I'm thinking of <?> -- was that the Shah was getting impatient even with this very mild criticism that Nasser (Nasser Ameri, wasn't it?) was making. Nasser Ameri had his car crash. Now, I know conspiracy theorists would say cars don't have crashes. I've no knowledge, no information. If you ask me about Africa, I would say something different,

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because I've seen it happen differently there. He had a car crash. He brought in Kani.

Q. Who was very close to Alam.

A. Within (my memory now) two or three months, Kani gave an interview, I think to Newsweek, or <unclear> -- a journal, an American journal -- in which he said the mildest criticisms, by my book. He was out! And my reading at the time was the Shah lost patience at that time with this whole charade -- I always called it to myself a charade. Whether Stuart Rockwell put it in his mind. Whether the Shah thought, "I must appear to be a good Western democrat, and have this two-party system." But it was shop-window.

When Kani again produced problems for him, and gave some sort of grumbles and grievances, he was out. And then the Shah said, "Enough of this nonsense! Rastakhiz!" And that is my memory, my interpretation. You say, "No opinions." That's my opinion. Of what governed the Shah at the time he lost patience with the charade.

And I just hope that I'm somehow giving you some answers to fill in gaps in the jigsaw.

Q. I think you've been very helpful.

A. If I've given you some answer on the embassy relations

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with mullahs, if that's convincing -- because it's true; if I've given you some answers on the relationships we had with SAVAK and with the Shah; if the impression comes that we really didn't involve ourselves in internal affairs -- this is the great message. We didn't seek to manipulate.... We didn't ... we didn't manipulate. We weren't asked to advise, we didn't try to advise. It was "Hands off".

And we were all caught out -- we and the Americans -- in the end by just not knowing. That whole side of our nature was stultified, withered away, because we didn't.... Do you see what I mean? And I think the Americans were the same. It certainly comes out in Bill Sullivan's book and....

Q. Well, it seems that people had greater expectations from the British, with a greater sort of knowledge or experience in the Middle East, and in foreign affairs, and in diplomacy. So it's a little surprising that they were behaving the same way as the newcomers -- the Americans.

A. We never.... I mean, the days when we affected what happened in Iran: who was on the throne or who was a minister -- that disappeared in ... before Reza Shah's day. It didn't really... You've been into the British hand -- finger, really -- in Reza Shah's coming to power. All of that ... General Ironside ... you've been.... Have you talked to Shapour Reporter?

Q. I'm waiting for an introduction.

A. Mmm?

Q. I said, "I'm waiting for an introduction to him." I haven't found that ... yet.

A. Has he said, "No"?

Q. I have not been able to communicate with him.

A. Would you like me to ask him?

Q. Definitely. And you could tell him that <unclear>.

A. I think he might. Deeply wise man. Do you know him?

Q. I've heard about him.

A. I don't know what you hear about him. I mean, just ... I'm talking all the time.... Tell me in sort of headlines: what impression do you have of him from people who talk about him?

Q. That he's very knowledgable on Iran. He had close ties with important people. And that he was....

A. A big Mr. Fixit, or...?

Q. Well, I don't know. It's sort of ... value-judgment on it. But, you know, he was involved in commercial matters -- as a consultant, you could say, or, I don't know....

A. In importance ... Habib? Because I have to tell you ... I'm not putting it on tape, am I?

Q. Yes.

A. Is that right? Oh my God! I didn't know you had it on.

Well, his relations with the British are well-known. Not a Mr. Fixit. That he did bring about deals -- fine. Why not? A very, very wise man. A very shrewd man. And a true and close friend of the Shah. A very wise counsellor. And extremely close with Alam, too.

You know the history of his father? Coming to Iran?

Q. Yes.

A. And he and Asadollah Alam and the Shah were boyhood playmates.

Q. I didn't know that.

A. Yes. He wasn't someone whom the British pushed in to get to the Shah. He was there already. Because of his father, and his father's relationship with Reza Shah. And there was deep trust. And although they became ... they didn't become estranged towards the end, but, you know, Shahpour got involved in scandals which weren't of his making. Which <unclear> involved the British government. He's a deeply loyal man, and wouldn't say a word to the press or to anyone else. He understands more than almost anyone.

Q. I think it's good to leave a glimpse of him for history.

A. Well, I'll see what I can do.

Q. As you can see, the narrator has the freedom to present any parts <?> that he wants.

A. He's a man of history. Shapour. He's a very deep man. He's a man of history, and his father was a historian. And I've said to Shahpour -- I only see him as a personal friend, once every two years -- and I've said, "Shahpour, are you going to write? Your father wrote." He said, "No." And I said, "Well, it's a great loss, because one day you'll be gone, I'll be gone, and that's what this is. It should be somewhere."

Q. That's right.

A. I don't know if he will, but I can ask him.

Q. With others, you know, all I think I can do is make an effort to present an opportunity. It's up to the individual to decide for himself whether he wants to take it or not.

A. And there are things, I'm sure, that he would be ... inhibited about.

Q. Sure.

A. But if you want the sort of comments I'm making on individuals and situations....

There are two other areas that I wanted to touch on.

Here we are. I'm handing Mr. Ladjevardi a cigarette lighter so that he can re-light his cigar.

Q. It's a lie. I don't smoke.

A. It's an ordinary cigar. It's not taryak (opium).

The two areas that I mentioned to you over dinner, that other

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people may have talked to you about, but if they haven't I think are a part of history that could be overlooked, are the Shah's view of Iran -- particularly in those latter years, when he was at the height of his power, the '70s -- to Iran as a regional power. I suppose stemming from that time when the British withdrew from the Gulf, Nixon came out and said, "Will you be my proxy-gendarme for the Gulf?"

Q. Presumably the Shah didn't need much convincing.

A. Excuse me?

Q. It's something the Shah didn't need to be convinced about. He was ready to....

A. Yes. The greater Iran.

I saw the Shah as a peacemaker, a maker of a stable bloc round him. He was ever conscious of the Russian threat. I think he over-exaggerated the Russian threat -- he saw them eight feet tall. He was a peacemaker with Iraq. Don't forget that. He used the Kurds quite cynically -- Mullah-Mustafa Barzani -- as a piece on the chess-board to make the larger goal of a peace settlement with Iraq. He was conscious of Pakistan. He distrusted Mrs. Gandhi. But he was worried about subversion -- Russian subversion -- in Afghanistan. He was very conscious of the threat through

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Oman from the subversive forces mounted from South Yemen, behind whom ultimately were the Russians. And he devoted great effort and energy to that.

He saw himself ultimately as being an Indian Ocean power -- not in an aggressive way, but as an area of stability. And his great logistical goal in that was to make Iran an Indian Ocean power. For that he needed an Indian Ocean base. And the idea of building up remote Chah Bahar, which was then only a fishing village, into a major airforce naval base, was to get Iran free of, on the one hand, the Persian Gulf -- out beyond the Straits of Hormoz. And an even greater design was to draw Afghanistan into Iran by building road, and eventually, rail links down to Chah Bahar.

Q. Where would he pick up these ideas?

A. Well, I don't know....

Q. For instance Chah Bahar. I mean, why Chah Bahar?

A. I don't know.

Q. Did he just sit there and look at the map and say, "We need to build a military base there" or did someone come in to him -- some contractor -- or somebody, saying, "This will make a great profit on something" and propose it to him?

A. Not a contractor. The Shah was a great reader. He read Western newspapers and Western magazines a great deal. People say he didn't know what was going on in his own country. He chose to believe what he wanted about his own country. But abroad he didn't have those inhibitions. And he listened to lots of people. There was a constant stream of people from Britain, from America, from France, Germany, Japan -- anywhere. Professors, theoreticians -- they would all get their audience. And he would sit there -- I've seen him with some of them -- and drinking it in, really listening to what these people said. And he would do his homework before they came.

And I've talked, and this is -- I mustn't digress -- but in my banking days, I've talked to, not only chairmen of big British corporations, I've talked to our clients who were Americans, and British, and French, not just British companies. I've talked to presidents of American corporations, who would say, "Gee, God, that guy'd really done his homework! You know, we had this audience and he was asking us questions that I ... I had to turn to my aide to say, 'What do we do in our company?'" That sort of thing.

And he listened. So you asked me where he got these ideas from. I don't know. I think it's quite possible that he studied maps, and had read his history, and had worked it out

for himself. It could be that two or three people -- or even one guy -- had given him this concept of the Indian Ocean, and the need to be beyond the Straits of Hormoz. I don't know. I have no idea.

All I do know is that he had this vision of that barren Baluchistan coast being the new frontier. I'm using terms, but the new ... he didn't use those terms. But he did ... no, not quite ... but that's what he meant: the new frontier of Iran. And bringing Afghanistan -- he had big visions like this. And all these things that he did: Pakistan, Oman, Iraq, were all of a parcel with that.

And one particular episode in that -- and one that can easily be forgotten -- is the Iranian Expeditionary Force to Oman. They took a big risk in that.

Q. Did they need much encouragement to do that?

A. No. The British are very strong in Iran <Oman>. They were then and they are now. It's our ... it's an area where, if you go there, you still feel sometimes that the British Raj still lives. That's not to make any adverse comment on the Sultan -- not for a moment. But there's a marvellous cooperation -- in my book, because I'm British -- a marvellous cooperation there. And the Sultan felt -- the British felt -- that we didn't need any outside help. We

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certainly didn't say, "Look, we're strapped. We can't cope with this subversive menace coming from South Yemen. Please, Your Majesty, will you help us?" No way. It wasn't that. He thought of it himself.

And he pushed himself on them and us. I'm talking about 1994 <?> when I say this. If you talk about the hidden hand in Iran -- it didn't exist. If you talk about the hidden hand in Oman -- it exists. I'm not saying that we dictate to the Sultan what to do. We don't. But there's a collaboration. That's where the ... that's where British influence operates. It didn't operate in Iran. We were inhibited.

The Shah decided that the threat from South Yemen, which was very real in those days, was a threat to the Gulf, and if Oman went, Abu Dhabi would go, Dubai would go, and the dominoes would start falling, and Iran would fall eventually. So he saw it as a common cause. And he sent that expeditionary force. I've told you funny stories about it before.

At first it was very amateurish, and, in fact, caused not only casualties to itself, it caused casualties to the Sultan's forces, and caused casualties to the British advisers. But over two or three years, under Manouchehr Khosrowdad, it became a very effective fighting force. I would think you would find now -- I'm guessing -- in the

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Iranian army that there are colonels here or majors there who really learnt what battle was like in Oman. So. Enough said of that.

Q. How much casualty would you say ... a rough estimate of the casualty on the Iranian side?

A. Oh. Pure guess. Two or three thousand? One thousand, two thousand?

Q. In that range?

A. No more than that. That's probably too much. Too much. A thousand.

But they became effective. And I think the fact that.... I think the British would acknowledge, privately, that the fact that -- they were called "PFLOAG -- Peoples' Front for the Liberation of the Arabian Gulf" -- that they were repulsed.... the Iranians at the end played a significant part in that. Right. That's that.

The other theme that I wanted to mention was the oil price rise, which, when Oman is forgotten, when SAVAK is forgotten, when all of these ... the biggest single effect that the Shah had on the world economy was the oil price rise. And I personally remember -- and Peter Ramsbotham will remember too

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-- being present at a moment of history, which at the time I wasn't aware was a moment of history.

The Shah put it in terms, again, of someone who'd come to see him, one of his ... learned professors, who'd given him an idea. And that professor -- and I think he talked about it as a professor -- had said to him, "Your Imperial Majesty, you in Iran, Saudia Arabia, everywhere in the Middle East, you're selling your oil too cheaply. You've heard the argument many times. You're selling your birthright, you're selling your long-term inheritance, to the West, who will take what they can get. You're doing yourself down. You're wasting your natural resource. At the same time, you are not stimulating the West to get digging and get out its own oil. And the way you can answer that question -- those two questions in one -- is to put up your oil price to such a level that the West, such as Britain, will have to -- or the Americans with oil-shale deposits -- will have to get out their own oil. And until, Your Majesty, you put the oil price up to such a level that they will be shocked into doing that, the situation won't change."

And this convinced the Shah. I remember very vividly being with him, and he said, "I've had a talk recently with a very wise fellow." I never got his name.

Q. How about nationality?

A. Oh, an American.

Q. American.

A. Who advanced this argument I've just given you, and you heard many times from the Shah.

And he said -- this was '73, wasn't it? -- he said, "You know, I think that an oil price of, let's say, \$11 a barrel would be about right."

Now, Habib, I was an economic innocent in those days. I was ... my interest was in politics. I knew that the price of oil was then round about \$3 a barrel. Three dollars a barrel! And I did know that 11 was more than 3 times 3. But I wasn't an economist enough to know that \$11 a barrel meant an absolute earthquake in the world economy, from which <How many years later? Twelve years later.> we are still feeling the effects. It's more than feeling the effects -- it's still reverberating.

And I remember going back to the embassy -- I'd been with Peter Ramsbotham -- and saying to our councillor, who was an oil expert, and saying that, "The Shah talked about, theoretically, just talking aloud, thinking aloud, off the top of his head, of an oil price of \$11." And this colleague

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of mine said, "My God," he said, "you can't be serious! He couldn't have said that." And we said, "But he did." He said, "No, no. You mis-heard him. He must have meant \$5 or \$6." And I said, "No, he said \$11." "Yes, but that's grotesque. It's preposterous. The world economy would be shattered." And I said, "Well that's what he said."

And of course that is what he meant and that is what happened.

And this came about, I believe, not from the Shah's reasoning, but he had listened to -- I don't know whether it was a person, but I hope he's one of your 120 -- I don't know what his name was. I don't think this was one like Chah Bahar where probably the Shah had looked at an atlas and said, "Hmmm. I want to be in the Indian Ocean and that's the place I'm going to be." I think this was probably a thought that was put in his mind, and he did ... was convinced by it. And then he worked it out, and he brought forward the policy.

And he felt that (A) he was doing something patriotic, that he was conserving an Iranian natural resource. I think there was another point, that he would never say, and never did that I ever heard him say. He was, after all, human; he was a politician. This trumped Mossadegh. I mean, speaking in Bridge terms. He had an inferiority complex about Mossadegh, that Mossadegh had done ... had been a greater patriot for

Iran by smashing the British, taking over the Anglo-Iranian Oil Company. Equal to, or second only to, things that Reza Shah did. and the Shah, I think, was always hankering to put down a bigger trump than Mossadegh.

And suddenly he saw it: "I've got the card in my hand -- it's oil price. And he saw himself both as being ... doing something real for Iranian pride and Iranian wealth, at the same time, politically, he saw that he was putting down a bigger trump card than Mossadegh. Those two factors.

And when people pointed out to him that this was going to lead to world-wide inflation, and that the Western economies couldn't adjust to it, he said (sorry, I mustn't do that -- I forget we're not on television): "Stuff and nonsense! Of course you can adjust to it. Of course you can adapt to it." And everything followed from that.

Q. Yes, that always ... <unclear> would say that ... why the lack of reaction ... oil companies and the United States government must have been at most indifferent to this act in advance. You know, very much in favor of it or even helped to instigate this.

A. I mean, we're coming back, Habib, to all our favorite theme, the conspiracy theory. I hope I've convinced you -- you're already convinced, you didn't need convincing -- that

the hidden hand of governments didn't exist. What the British Embassy was doing there, and I believe what the American Embassy was doing there, was day-to-day fire prevention: keeping him happy, keeping him quiet over trivial, superficial things. Frankly. They never took issue on the major issues. But when it came to.... So that was the governments.

So then the other hidden hand, of course, was the oil companies. I have to say: "Rubbish." The oil companies never counted for ~~that~~ little finger I'm putting up after Abadan. They were finished, the oil companies. All they could argue about after that -- Shell, BP, any of them -- were 5 cents, 3 cents, 10 cents -- trivial margins. The British oil companies -- and, I believe, the American oil companies -- didn't have a control over, a lock on, the US government or the British government to dictate policies to them. It's Cloud-Cuckoo Land -- Alice in Wonderland -- to believe it.

And if the oil companies put him up to this -- and some say that they put him up to it, others say, "Why didn't they resist it?" Which just shows that there wasn't a logical policy for the oil companies to follow. The oil companies didn't have a policy. They were reacting all the time, and looking at it in a much more narrow, commercial way.

And the Shah, more than Qaddafi -- we talk about Qaddafi having done.... The Shah was the hawk on oil price, because he had ... I mean, this was the great quality of you Iranians, if I may say so, Habib, that you are very clever people. You are a people of vision and intellect. You may not always follow it through, you may have five or six different voices, but you can rise to a much higher level than the Qaddafis of this world. And I believe, just as Khomeini has the great idea of the Islamic Revolution, the Shah did get this idea that he was doing a patriotic thing by putting up the oil price rise. And that it was a good thing for the Western economies that they should be forced to develop the oil that was lying in their own ground.

And don't forget I'm speaking as an Englishman: that the North Sea and everything it's done for the British economy now, and for Mrs. Thatcher now, would not have happened if the oil price hadn't gone up to \$11 and then on. The North Sea -- people had known for some years that there was oil -- they had known this, that there was oil in some quantity in the North Sea. But it was quite impractical, quite uneconomic, to extract it. As soon as the oil price became \$11, it became possible. And we would never have developed the North Sea.

I think that was the Shah's intellectual idea. Whether it was put into his mind -- and I think it probably was, but

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then most of us learn our ideas from other people. ~~Tamam~~
~~shod~~ <the end>.

Q. Thank you very much.